

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 03547 081337Z

41

ACTION NEA-10

INFO OCT-01 IO-11 ISO-00 EB-07 L-03 STR-04 ITC-01 SP-02

CIAE-00 INR-07 NSAE-00 AGR-10 TRSE-00 OMB-01 CIEP-02

FEAE-00 /059 W

----- 111360

R 081005Z APR 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 6406

INFO USDOC WASHDC

USDEL MTN GENEVA

UNCLAS TEHRAN 3547

E.O. 11652: NA

TAGS: ETRD, MIN, IR

SUBJ: NEW IRANIAN IMPORT REGULATIONS

REF: STATE 077568, TEHAN A-61, TEHRAN 2952, TEHRAN 3350

1. BEGIN SUMMARY: BASED UPON SUTDY OF THE NEW IRANIAN IMPORT REGULATIONS(SO FAR AVAILABLE ONLY IN THE Farsi VERSION), FOLLOWED BY DISCUSSIONS WITH SELECTED LOCAL BUSINESSMEN AND GOVERNMENT OFFICIALS, EMBASSY FEELS THEY WILL HAVE LIMITED IMPACT ON THE LEVEL OF U.S. TRADE. TEXTILES ARE A POSSIBLE EXCEPTION. IN THIS AREA IT APPEARS THAT SOME U.S. EXPORTERS MAY LOSE SALES AS A RESULT OF TIGHTENED IMPORT LICENSING. LIMITED AMOUNTS OF ADDITIONAL BUSINESS MAY, HOWEVER ,BE GENERATED BY RELAXATIONS IN OTHER CATEGORIES. END SUMMARY

2. THE IRANIAN TRADE REGULATIONS WHICH BECAME EFFECTIVE ON MARCH 21 DO NOT ENCOMPASS SWEEPING CHANGES AND WERE DESCRIBED BY A SENIOR MINISTRY OF COMMERCE OFFICIAL AS CONTINUING THE TREND TOWARD LIBERALIZATION THAT HAS CHARACTERIZED RECENT GOI COMMERCIAL POLICY. HE ASSERTED THAT NO DRASIC CHANGES HAD OCCURRED OR SHOULD HAVE BEEN EXPECTED SINCE THE ANNUAL TRADE REGULATION REEXAMINATION AND UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 03547 081337Z

FORMULATION AIMED ONLY AT MAKING ADJUSTMENTS DEEMED DESIRABLE

OR NECESSARY FOR THE ECONOMY.

3. IRANIAN BUSINESSMEN SEEM GENERALLY NONCOMMITAL OR APATHETIC TOWARD THE BULK OF THE CHANGES EXCEPT FOR THE TEXTILE IMPORTERS, WHO REPORT WITH DISMAY THAT GOVERNMENTAL CIRCULARS TO THE CENTRAL BANK DIVVING THE NEED FOR PRIOR PERMISSION TO IMPORT A BROAD RANGE ON NON-WOOLEN TEXTILES WERE ALLOWED TO LAPSE AT YEAR'S END. THIS MOVE IS A REVERSION TO THE SITUATION THAT EXISTED DURING THE FIRST PART OF LAST YEAR BEFORE THE WAIVER COVERING SUCH PRODUCTS WAS APPROVED IN MID-APRIL AND EARLY JULY AS AN ANTI-INFLATIONARY MEASURE. THE FAILURE TO RENEW THE WAIVERS WAS DUE IN PART TO PRESSURES FROM THE LARGE DOMESTIC TEXTILE INDUSTRY WHICH ALSO ACCOUNT FOR THE FACT THAT MOST SUCH ITEMS REQUIRE PRIOR PERMISSION. IMPORTS OF NON-WOOLEN TEXTILES FROM THE U.S. IN 1974-75, THE LAST IRANIAN YEAR FOR WHICH SUCH DATA AVAILABLE, WERE VALUED AT APPROXIMATELY \$5 MILLION; HOWEVER, IMPORTS IN THE FIRST SIX MONTHS OF 1975-76(MARCH 21-SEPTEMBER 20) WERE APPROXIMATELY \$4 MILLION AND UNDOUBTEDLY ROSE STEEPLY IN THE LATTER PART OF THE YEAR FOLLOWING THE ISSUANCE OF THE WAIVERS. BECAUSE SUCH WAIVERS CAN BE ISSUED AT ANY TIME DURING THE YEAR, IT IS DIFFICULT TO PREDICT THE IMPACT OF THE LAPSE OF THE PREVIOUSLY EXISTING WAIVERS.

4. THE NEW PRIOR APPROVAL REQUIREMENT ON PNEUMATIC TOOLS OTHER THAN CEMENT VIBRATORS, WAS PROMPTED BY THE DESIRE TO AFFORD PROTECTION TO A NEWLY-ESTABLISHED PLANT, COMPIDRO, A JOINT VENTURE BETWEEN COMPATR INTERNATIONAL LTD. OF THE UK AND THE INDUSTRIAL DEVELOPMENT AND RENOVATION ORGANIZATION(IDRO). IMPORTS OF SUCH ITEMS FROM THE U.S. IN THE IRANIAN YEAR 1974-75 WERE VALUED AT APPROXIMATELY \$48 THOUSAND BUT IN THE FIRST HALF OF 1975-76 CLIMBED TO APPROXIMATELY \$440,000.

5. ON THE POSITIVE SIDE, IMPORTERS WERE HAPPY TO SEE IMPORTS OF CANNED FISH FREED FROM RESTRICTION AND THE COMMERCIAL BENEFIT TAX(CBT) REDUCED; HOWEVER, THEY HAD HOPED FOR A MUCH WIDER LIBERALIZATION OF RESTRICTIONS
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TEHRAN 03547 081337Z

AND TAXES ON IMPORTS OF PREPARED FOODS. WHEN QUERIED ON THIS POINT, DEPUTY MINISTER OF COMMERCE AROOZI INDICATED ONLY THAT PRIORITY HAD BEEN GIVEN TO CANNED FISH AS A NEEDED SOURCE OF PROTEIN. IT IS SOMEWHAT MORE DIFFICULT TO PREDICT DEMAND FOR HITHERTO NON-IMPORTABLE ITEMS; HOWEVER PROSPECTS WOULD APPEAR RELATIVELY BRIGHT FOR AT LEAST ONE ITEM, SYNTHETIC CARPETING AND RUGS(58.02 C). AGRICULTURAL INCUBATORS SHOULD ALSO FIND A MARKET. AS

REGARDS THE REDUCTION IN CBT ON A NUMBER OF HOUSEHOLD APPLIANCES, HOWEVER, MOST IMPORTERS WELCOMED THE REDUCTION BUT WERE UNANIMOUS IN THEIR FEELING THAT THE REDUCTIONS WERE INCONSEQUENTIAL IN MAGNITUDE AND SHOULD HAVE LITTLE EFFECT. ONE DISTRIBUTOR INDICATED HIS INTENTION TO USE THE REDUCTION FOR ADVERTISING IN AN EFFORT TO BOOST SALES(AND HENCE IMPORTS). ACCORDINGLY, THE CHANGES ARE EXPECTED TO DO RELATIVELY LITTLE TO HEIGHTEN SIGNIFICANTLY THE LEVEL OF U.S. SALES IN THE COMING YEAR.

6. IT SHOULD BE NOTED THAT CHANGES IN THE STATUS OF PRODUCTS REQUIRE PRIOR PERMISSION TO IMPORT OCCUR THROUGHOUT THE YEAR AS DEEMED NECESSARY BY THE IRANIAN AUTHORITIES, EXAMPLES INCLUDE THE WAIVER ISSUED ON TEXTILES LAST YEAR AND THE ON-AGAIN-OFF-AGAIN STATUS OF CERTAIN ITEMS OF USED CONSTRUCTION EQUIPMENT AS TEMPORARY SHORTAGES WERE MET AND SUBSEQUENTLY FILLED. AN EVEN MORE RECENT MOVE, WHICH WAS JUST ANNOUNCED, IS THAT TO WAIVE THE NEED FOR PRIOR PERMISSION FOR IMPORTS OF NO. 18-AND-ABOVE IRON GIRDERS. (THOSE BETWEEN NOS8 AND 18 ARE LOCALLY PRODUCED.) THUS, SOME OR ALL TEXTILE ITEMS MIGHT AGAIN BE FREELY IMPORTABLE IN 1976, ALONG WITH PNEUMATIC TOOLS, IF THE SITUATION WARRANTED.

7. OBVIOUSLY, A MUCH MORE SIGNIFICANT FACTOR ON THE OVERALL LEVEL OF U.S. EXPORTS THAN INDIVIDUAL IMPORT STATUS CHARGES WILL BE TOS GOVERNMENTAL POLICIES AFFECTING BUSINESS ACTIVITY, SUCH AS GOVERNMENT SPENDING ON MAJOR PROJECTS, BACK PAYMENTS TO GOVERNMENT CONTRACTORS AND OTHER LOCAL CREDITORS, PRICE CONTROLS, ETC., ALONG WITH GOVERNMENTAL INCOME FROM PETROLEUM.

HELMS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TEHRAN03547
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760133-0414
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760481/aaaacrbm.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 77568, 76 TEHRAN 2952, 76 TEHRAN 3350
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2004 by SilvaL0>; APPROVED <04 JAN 2005 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW IRANIAN IMPORT REGULATIONS
TAGS: ETRD, IR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006